



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Oil, Gas & Mining

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

March 17, 2008

Certified Return Receipt  
7004 2510 0004 1824 9085

David Penney  
Penney's Gemstones, LLC  
2400 East 30 South  
P.O. Box 312  
Beaver, Utah 84713-0312

Subject: Final Determination, Penney's Gemstones LLC, Sliver 3-4 S/001/057, White Tiger S/027/093, Pretty in Pink S/027/073, Lost Gems S/001/056, Beaver and Millard Counties, Utah

Dear Mr. Penney:

This letter addresses your letter and response of January 15, 2008. The following disturbed acreages and bonding determinations referenced in this letter are considered final. You are therefore required to amend your permits with DOGM to reflect these acreages within 30 days. All permits are for exact acres disturbed. At any point, you may amend your permit to mine additional acreage, you are required to submit form MR-REV-SMO/EXP found on the Division's website at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

#### Silver 3-4 S0010057

You state that the road entering the Sliver 3-4 property is an RS 2477 road and should not be counted as disturbance. This is not the case, please read the attached BLM determination. The Division has decided to change the designation of your mine to a Small Mine and will terminate further review of the Large Mine Permit.

The Division will allow this site to fall within the Small Mine category, however; you are not allowed to expand beyond your current footprint or you will be subject to enforcement action. The Division has escalated the 2003 surety \$700 dollars good until 2010. You currently have \$20,000 dollars allocated to this project, so please remit the additional \$700. This surety amount was calculated in coordination with the BLM and is not considered a duplicate bond as you have stated. You may either post the additional \$700 with the BLM or us as long as we are both named on the surety.

#### White Tiger S0270093

A portion of this site is on BLM land and the other part is on state lands. The total disturbance is less than 1 acre. The surety amount for one acre or less is \$5,900. You currently have \$1,800 dollars under a nationwide bond with the BLM for this site. Your bonding liability is \$5,900. Please remit the \$3,100 dollars for the reclamation surety for this site. You may either post the additional \$3100 with the BLM or us as long as we are both named on the surety. Also, the Notice for this site does not show SITLA as a land owner. Please update the Notice with this information.

080001

Page 2 of 2  
Mr. Penney  
S0010057, S0270093, S0270073, S0010056  
March 17, 2008

**Pretty In Pink S0270073**

The BLM agrees with the .91 acres disturbed area. The surety amount for one acre or less is \$5,900. You currently have \$3,000 dollars under a nationwide bond with the BLM for this site. Please remit an additional \$2,900 dollars for the reclamation surety for this site. You may either post the additional \$3000 with the BLM or us as long as we are both named on the surety.

**Lost Gems S0010056**

The Lost Gems area is 1.4 acre. The bonding liability is \$9,600. You currently have \$3,000 posted under a nationwide bond with the BLM, so please remit the additional \$6,600 dollars. You may either post the additional \$3000 with the BLM or us as long as we are both named on the surety.

We will expect the above stated amount to be filed with the BLM or DOGM within 30 days, if you decide to post the additional bond with DOGM then please contact Jed Pearson at [Jedpearson@utah.gov](mailto:Jedpearson@utah.gov) or (801)538-5382 to obtain the necessary forms.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5258 or Tom Munson at 538-5321. Thank you for your help in completing this very important regulatory requirement.

Sincerely,



Susan White  
Program Manager  
Minerals Regulatory Program

SMW:tm:pb  
Enclosure: BLM determination, maps  
cc: [Ed\\_ginuvious@blm.gov](mailto:Ed_ginuvious@blm.gov)  
[Larry\\_garahana@blm.gov](mailto:Larry_garahana@blm.gov)  
John Blake  
Jed Pearson  
[ep7@xmission.com](mailto:ep7@xmission.com)  
[opie\\_Abeyta@blm.gov](mailto:opie_Abeyta@blm.gov)  
P:\GROUPS\MINERALS\WP\M001-Beaver\M0010057-Silver3-4\draft\finaldetermination022708.doc

NAD 1927 UTM Zone 12N

**Mine Number: S270093**  
**Mine Name: White Tiger**

**Township 25 S Range 15 W Section 11 SLBM**  
**Township 25 S Range 15 W Section 02 SLBM**

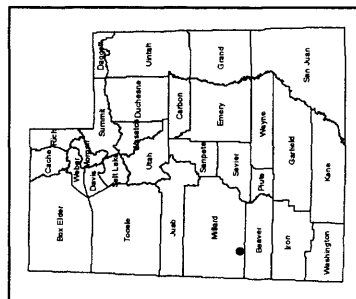
Inspection Date Aug. 31, 2005  
 Map Produced by DKS

Acres Disturbed	1.07
Acres Regraded	0
Acres Seeded	0
Road Acres Disturbed	0
<b>Total Acres Disturbed</b>	<b>1.07</b>
Acres Reclaimed	0
Acres Excluded	0
Acres Prelaw	0

**Legend**  
 All items symbolized in legend may not be appear on map

County Boundary	Township or range line
Acres	Section line
Mine	Section line - location doubtful
Nonline	Section line
Other	Disturbed
Interstate	Regraded
US Route	Seeded
State Route	Reclaimed
Primary Route	Excluded
Secondary Route	Prelaw
Main Dirt Road	Mine Permit
Unimproved Road	
Interchange	
Trail	

DOQ Imagery date 1999



0 625 Feet  
 1:7,500 1 inch equals 625 feet

Verify Scale

Different data sources and input scales  
 may cause misalignment of data layers.  
 This product may not meet DOQIM  
 standards for accuracy and content.

Dept. of Natural Resources  
 Division of Oil, Gas, and Mining  
 Mineral Mines Program

WHITE TIGER  
 S270093